

RYAN PREPARED OPENING STATEMENT
MOTION TO INSTRUCT CONFEREES

May8, 2007

- The motion we are offering today reflects a simple, up-or-down choice. It calls for: 1) rejecting the largest tax increase in our nation's history, which is contained in the House budget; 2) insisting on the lowest possible level of taxes available in the budget conference; and 3) stopping the raid on Social Security's cash surpluses.
- Both the House and Senate Democrats' budgets call for historic tax hikes – and we in the minority can't do anything to prevent that. But we hope that with this vote, we can at least minimize the damage that these tax hikes will bring. Let me take a moment to describe the options we have to work with:
- The House-passed budget would impose a tax hike of \$392 billion – from such things as reimposing the tax penalty on married couples, cutting in half the child tax credit, and raising marginal income tax rates on low- and middle-income working families.
 - ▶ This would increase the average American family's tax bill by roughly \$2,900 per year – and likely reverse the economic progress we've achieved these past few years. So – right along with their higher tax bill – Americans would see fewer jobs, and slower wage growth.
 - ▶ This *massive* tax hike was the only way House Democrats could accommodate their *massive* increase in spending. Their budget makes no effort – none – to moderate the growth of spending. It simply requires taxpayers to send in more of their money to make the Democrats' budget numbers add up.

- ▶ In our debate a few weeks ago, the Democrats tried gamely to assert their budget doesn't increase taxes after all – and as “proof,” they pointed to their novel “policy” language that claims they do plan to extend some of the tax relief provisions enacted in 2001 and 2003. But if you read the fine print, this would only happen later – *and only if they hike some other taxes by the same amount.*
- ▶ But the numbers in their budget tell a starkly different story. By the numbers, the House budget raises taxes nearly \$400 billion – and the numbers don't lie.
- The other option is the Senate budget, which raises taxes by about \$216 billion. *This will include higher taxes on middle-income earners, because the Senate budget still raises marginal income tax rates.*
 - ▶ But at least it attempts to protect marriage penalty relief, the child tax credit, and estate tax relief.
 - ▶ Unfortunately the other chamber, like their Democratic counterparts in the House, also calls for large spending increases. As a consequence, their budget would continue to raid the Social Security trust funds in FY 12 – something the House-passed bill and the Republican substitute did not do.
- Accordingly, our motion would simply direct the conferees to do two things:
 - ▶ First, reject the House Democrats' \$392 billion tax increase – again, the largest in American history – and keep their tax hike to the lowest possible level permitted under the rules.

- ▶ Second, insist on the lowest possible level of taxes between the House-passed and Senate-passed Democrat budgets. This language is included because the motion is required to stay within the “scope” of the two budgets.
 - ▶ Third, it would direct the conferees to stop raiding Social Security for the government’s operating budget. They should do this by running a “unified” surplus (including Social Security) of \$96 billion in fiscal year 2012 – equal to Social Security’s cash surplus that year.
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- We know that this is possible, because we proved it could be done in our own budget. Our Republican budget not only balanced the budget – without raising *anyone’s* taxes – we ran a surplus that ensured the Social Security trust funds would not be raided.
 - So again, today we are simply asking our Democratic colleagues to do the following: 1) reject the largest tax increase in American history; and 2) stop the raid on Social Security.
 - That is a simple choice: a yes vote supports these objectives; a no vote rejects them.